

COUNTY OF CHESTER

I, MICHAEL SWARR, being duly sworn, do hereby depose and say:

1. I am the Vice President, Partner, and Co-Owner of Conestoga Tool Company, Inc. ("Conestoga"), a Pennsylvania corporation with a principal place of business at 24 State Road, Paoli, Pennsylvania 19301. Conestoga is a manufacturers' representative and sales agency specializing in supplying made-to-print tooling and metal parts and specialized machine tool services to the industrial market. Conestoga represents SKF Machine Tool Products division located in Mentor, Ohio, a subdivision of SKF USA Inc. ("SKF"), selling its spindle repair services. Conestoga does not sell SKF's bearing line of products. Conestoga represents other companies in addition to SKF Machine Tool Products.

2. I, along with Conestoga's other Partner and Co-Owner, oversee and execute the purchase of all products and services sold by Conestoga, including the products and services of SKF Machine Tool Products.

3. On or about February 25, 2008, I was asked by Edward Zitney, Director of Operations at SKF Machine Tool Products, to purchase two specific styles of SKF roller bearings from HMS Industries, LLC ("HMS") located at 27995 Ranney Parkway, Westlake, Ohio 44145 – SKF part number 33022 ("33022 bearings") and SKF part number 6322 ("6322 bearings"). Mr. Zitney informed me that SKF believed HMS was selling counterfeit SKF bearings for these particular part numbers, and that SKF required a third party company to purchase these bearings and then forward them to SKF so that SKF could analyze the bearings to determine authenticity and their source. Conestoga was selected because it is an industrial sales agency and does not have "SKF" in its company name.

4. On or about February 26, 2008, I personally called HMS to request a price quote for five of the 33022 bearings and five of the 6322 bearings. That same day, I received the quotation from HMS, which I then forwarded to the Director of Operations at SKF Machine Tool Products and requested a purchase order for reimbursement for the order. On or about March 6, 2008, Conestoga received the purchase order for reimbursement from SKF Machine Tool Products, and that same day, Conestoga placed its order with HMS for the bearings.

5. On or about March 18, 2008, the order containing the 33022 bearings and 6322 bearings arrived from HMS. No one at Conestoga opened the shipment boxes containing the bearings, but two of Conestoga's employees re-taped the outside of the boxes to reinforce their stability for re-shipping. Attached to one of the boxes was a packing slip, a copy of which is attached as Exhibit "A". Subsequently, Conestoga received an invoice for the order, a copy of which is attached as Exhibit "B". On or about March 24, 2008, the original unopened boxes from HMS containing the bearings were sent to SKF.

The foregoing facts and opinions are true and correct to the best of my knowledge, information and belief, and if called upon to testify, I would so testify and affirm.

Sworn to and subscribed

before me this 21st day

of MAY, 2008

Eileen S. Rice

Michael Swarr
MICHAEL SWARR

NOTARIAL SEAL
EILEEN S. RICE, Notary Public
Tredyffrin Twp., Chester County
My Commission Expires Oct. 23, 2008

PACKING SLIP

INVOICE: 10158

INVOICE DATE: 3/18/2008

PO NO: 08123

SHIP DATE: 3/18/2008

SHIP TO:

CONESTOGA TOOL CO., INC.
24 STATE RD.
PAOLI, PA. 19301
ATTN: MIKE SWARR

BILL TO:

CONESTOGA TOOL CO., INC.
P.O. BOX 989
PAOLI, PA. 19301

HMS INDUSTRIES, LLC
GLOBAL IMPORTERS

27895 RAINEY PARKWAY
WESTLAKE, OH 44145
PHONE: (440) 899-0001
FAX: (440) 899-2651

Job 7866

QUANTITY	PART NUMBER	DESCRIPTION	Picked By	Checked By	Date	Class
5	33022	METRIC TAPER (SKF)			3/18/2008	50
5	6322.C3-SKF	SKF BEARING				50
35						
43						
74						
NOTES:						
SHIP VIA: UPS-GROUND			TTL Qty of Ctns			
TTL Wght (lb)			152			
			3			
THANK YOU FOR YOUR BUSINESS						

HMS INDUSTRIES, LLC
GLOBAL IMPORTERS27995 RANNEY PARKWAY
WESTLAKE, OH 44145
PHONE: (440) 899-0001
FAX: (440) 899-2681**INVOICE**

INVOICE NO: 10158

BILL TO:CONESTOGA TOOL CO., INC.
P.O. BOX 989
PAOLI, PA. 19301**SHIP TO:**CONESTOGA TOOL CO., INC.
24 STATE RD.
PAOLI, PA. 19301
ATTN: MIKE SWARR

INVOICE DATE	P.O. NO.	DUE DATE	SALES ORDER NO.	SHIP VIA	TERMS	SHIP DATE	SALES REP
3/19/2008	08123	4/17/2008	7866	UPS-GROUND	Net 30	3/18/2008	CHS
PART NUMBER	DESCRIPTION			QUANTITY	UNIT PRICE	EXT'S PRICE	
33022	METRIC TAPER (SKF)			5	95.45	477.25	
6322,C3-SKF	SKF BEARING			5	351.75	1,758.75	
FREIGHT CHARGE	FREIGHT CHARGE			1	64.58	64.58	

THANK YOU FOR YOUR BUSINESS

TOTAL: \$2,300.58

PAYMENTS/CREDITS: \$0.00

BALANCE DUE: \$2,300.58